

**CITY COURT OF LEESVILLE, LOUISIANA  
(VERNON PARISH WARD ONE COURT)  
Leesville, Louisiana**

Financial Report

Year Ended June 30, 2014

## TABLE OF CONTENTS

	Page
Independent Auditors' Report	1 - 2
 BASIC FINANCIAL STATEMENTS	
 GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)	
Statement of net position	5
Statement of activities	6
 FUND FINANCIAL STATEMENTS (FFS)	
Fund description - major fund	
Balance sheet - governmental fund	9
Reconciliation of the governmental fund balance sheet to the statement of net position	10
Statement of revenues, expenditures, and changes in fund balance- governmental fund	11
Reconciliation of the statement of revenues, expenditures, and changes in fund balance of the governmental fund to the statement of activities	12
Fund description - nonmajor fund	
Statement of fiduciary assets and liabilities - agency funds	14
 Notes to basic financial statements	 15-24
 REQUIRED SUPPLEMENTARY INFORMATION	
General Fund:	
Budgetary comparison schedule	26
 INTERNAL CONTROL, COMPLIANCE, AND OTHER MATTERS	
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	28-29
 Summary Schedule of current and prior year findings and management's corrective action plan	 30-31

C. Burton Kolder, CPA\*  
 Russell F. Champagne, CPA\*  
 Victor R. Slaven, CPA\*  
 Gerald A. Thibodeaux, Jr., CPA\*  
 Robert S. Carter, CPA\*  
 Arthur R. Nixon, CPA\*  
 Penny Angelle Scruggins, CPA  
 Christine C. Doucet, CPA  
 Wanda F. Arcement, CPA, CVA

Stephen J. Anderson, CPA  
 Bryan K. Joubert, CPA  
 Matthew E. Margaglio, CPA  
 Allen J. LaBry, CPA  
 Albert R. Leger, CPA, PFS, CSA\*  
 Marshall W. Guidry, CPA  
 Stephen R. Moore, Jr., CPA, PFS, CFP®, ChFC®  
 James R. Roy, CPA  
 Robert J. Metz, CPA  
 Alan M. Taylor, CPA  
 Kelly M. Doucet, CPA  
 Mandy B. Self, CPA  
 Paul L. Delcambre, Jr., CPA  
 Kristin B. Dauzat, CPA  
 Jane R. Hebert, CPA  
 W. Jeffrey Lowry, CPA  
 Brad E. Kolder, CPA, JD  
 Casey L. Ardoin, CPA  
 Deidre L. Stock, CPA  
 Karen V. Fontenot, CPA

\* A Professional Accounting Corporation

# KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

## OFFICES

183 South Beadle Rd. Lafayette, LA 70508 Phone (337) 232-4141 Fax (337) 232-8660	450 East Main Street New Iberia, LA 70560 Phone (337) 367-9204 Fax (337) 367-9208
113 East Bridge St. Breaux Bridge, LA 70517 Phone (337) 332-4020 Fax (337) 332-2867	200 South Main Street Abbeville, LA 70510 Phone (337) 893-7944 Fax (337) 893-7946
1234 David Dr. Ste 203 Morgan City, LA 70380 Phone (985) 384-2020 Fax (985) 384-3020	1013 Main Street Franklin, LA 70538 Phone (337) 828-0272 Fax (337) 828-0290
434 East Main Street Ville Platte, LA 70586 Phone (337) 363-2792 Fax (337) 363-3049	133 East Waddill St. Marksville, LA 71351 Phone (318) 253-9252 Fax (318) 253-8681
332 West Sixth Avenue Oberlin, LA 70655 Phone (337) 639-4737 Fax (337) 639-4568	1428 Metro Drive Alexandria, LA 71301 Phone (318) 442-4421 Fax (318) 442-9833

WEB SITE  
[WWW.KCSRCPAS.COM](http://WWW.KCSRCPAS.COM)

Retired:  
 Conrad O. Chapman, CPA\* 2006

## INDEPENDENT AUDITORS' REPORT

The Honorable Elvin Fontenot, City Judge  
 City Court of Leesville, Louisiana  
 (Vernon Parish Ward One Court)  
 Leesville, Louisiana

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the City Court of Leesville (City Court), a component unit of the City of Leesville, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City Court's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the City Court of Leesville, Louisiana, as of June 30, 2014, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on page 26 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report December 31, 2014, on our consideration of the City Court's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City Court's internal control over financial reporting and compliance.

***Kolder, Champagne, Slaven & Company, LLC***  
Certified Public Accountants

Ville Platte, Louisiana  
December 31, 2014

## **BASIC FINANCIAL STATEMENTS**

**GOVERNMENT-WIDE  
FINANCIAL STATEMENTS (GWFS)**

CITY COURT OF LEESVILLE, LOUISIANA  
(VERNON PARISH WARD ONE COURT)  
Leesville, Louisiana

Statement of Net Position  
June 30, 2014

ASSETS

Current assets:

Cash	\$ 37,511
Due from others	<u>3,639</u>
Total current assets	41,150

Noncurrent assets:

Capital assets, net	<u>2,212</u>
Total assets	<u>43,362</u>

LIABILITIES

Current liabilities:

Accounts and other payables	34,980
-----------------------------	--------

NET POSITION

Net investment in capital assets	2,212
Unrestricted	<u>6,170</u>
Total net position	<u>\$ 8,382</u>

The accompanying notes are an integral part of the basic financial statements.

CITY COURT OF LEESVILLE, LOUISIANA  
(VERNON PARISH WARD ONE COURT)  
Leesville, Louisiana

Statement of Activities  
Year Ended June 30, 2014

Judiciary:	
Accounting	\$ 11,756
Contract labor	2,000
Depreciation	711
Dues and seminars	2,932
Miscellaneous	27,706
Office supplies	14,082
Payroll taxes	14,569
Postage	1,900
Repairs & maintenance	22,815
Retirement	7,536
Salaries	188,568
State agency fees	9,706
Telephone	5,698
Travel	14,446
Uniforms	<u>1,878</u>
Total expenses	<u>326,303</u>
Program revenues:	
Court costs received	214,138
Intergovernmental	36,962
Probation income	<u>37,831</u>
Total program revenues	<u>288,931</u>
Net program revenue (expense)	(37,372)
Net position, beginning	<u>45,754</u>
Net position, ending	<u>\$ 8,382</u>

The accompanying notes are an integral part of the basic financial statements.



**FUND FINANCIAL STATEMENTS (FFS)**

## **FUND DESCRIPTION - MAJOR FUND**

### **MAJOR FUND**

#### **General Fund**

The General Fund is used to account for resources traditionally associated with governments which are not required to be accounted for in another fund.

CITY COURT OF LEESVILLE, LOUISIANA  
(VERNON PARISH WARD ONE COURT)  
Leesville, Louisiana

Balance Sheet - Governmental Fund  
General Fund  
June 30, 2014

ASSETS

Cash	\$ 37,511
Due from other governmental units	<u>3,639</u>
Total assets	<u>\$ 41,150</u>

LIABILITIES AND FUND BALANCE

Accounts payable	\$ 7,041
Accrued liabilities	<u>27,939</u>
Total liabilities	34,980
Fund balance:	
Unassigned	<u>6,170</u>
Total liabilities and fund balance	<u>\$ 41,150</u>

The accompanying notes are an integral part of the basic financial statements.

CITY COURT OF LEESVILLE, LOUISIANA  
(VERNON PARISH WARD ONE COURT)  
Leesville, Louisiana

Reconciliation of the Governmental Fund Balance Sheet  
to the Statement of Net Position  
June 30, 2014

Total fund balance for governmental fund at June 30, 2014	\$ 6,170
Total net position reported for governmental activities in the statement of net position is different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:	
Equipment, net of \$118,183 accumulated depreciation	<u>2,212</u>
Net position at June 30, 2014	<u>\$ 8,382</u>

The accompanying notes are an integral part of the basic financial statements.

CITY COURT OF LEESVILLE, LOUISIANA  
(VERNON PARISH WARD ONE COURT)  
Leesville, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balance  
Governmental Fund  
General Fund  
Year Ended June 30, 2014

Revenues:	
Court costs received	\$ 214,138
Intergovernmental	36,962
Probation income	37,831
Total revenues	<u>288,931</u>
Expenditures:	
Current -	
Accounting	11,756
Contract labor	2,000
Dues and seminars	2,932
Miscellaneous	27,706
Office supplies	14,082
Payroll taxes	14,569
Postage	1,900
Repairs & maintenance	22,815
Retirement	7,536
Salaries	188,568
State agency fees	9,706
Telephone	5,698
Travel	14,446
Uniforms	1,878
Total expenditures	<u>325,592</u>
Deficiency of revenues over expenditures	(36,661)
Fund balance, beginning	<u>42,831</u>
Fund balance, ending	<u>\$ 6,170</u>

The accompanying notes are an integral part of the basic financial statements.

CITY COURT OF LEESVILLE, LOUISIANA  
(VERNON PARISH WARD ONE COURT)  
Leesville, Louisiana

Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balance of the Governmental Fund  
to the Statement of Activities  
Year Ended June 30, 2014

Net change in fund balance for the year ended June 30, 2014 per Statement of Revenues, Expenditures and Changes in Fund Balance	\$ (36,661)
--	-------------

The change in net position reported for governmental activities in the  
statement of activities is different because:

Governmental funds report capital outlays as expenditures. However,  
in the statement of activities, the cost of those assets is allocated over  
their estimated useful lives and reported as depreciation expense.

Depreciation expense for the year ended June 30, 2014	<u>(711)</u>
---	--------------

Total change in net position for the year ended June 30, 2014 per Statement of Activities	<u>\$ (37,372)</u>
--	--------------------

The accompanying notes are an integral part of the basic financial statements.

## **FUND DESCRIPTION - NONMAJOR FUNDS**

### **FIDUCIARY FUNDS - AGENCY FUNDS**

An agency fund is used to account for assets held by the City Court in a trustee capacity or as an agent for individuals, other governments, and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

#### **Civil Fund -**

The Civil Fund is used to account for advanced court costs on suits filed by litigants which are accounted for on the computer system. The advances are refundable to the litigants after all costs have been paid.

#### **Traffic Fund -**

The Traffic Fund is used to account for funds received from traffic violations and distributes the funds to various government agencies which receive a designated portion of each traffic ticket.

CITY COURT OF LEESVILLE, LOUISIANA  
(VERNON PARISH WARD ONE COURT)  
Leesville, Louisiana

Statement of Fiduciary Assets and Liabilities - Agency Funds  
June 30, 2014

ASSETS

Cash	<u>\$ 43,152</u>
------	------------------

LIABILITIES

Advanced court costs payable	\$ 9,373
Due to others	<u>33,779</u>
 Total liabilities	 <u>\$ 43,152</u>

The accompanying notes are an integral part of the basic financial statements.



CITY COURT OF LEESVILLE, LOUISIANA  
(VERNON PARISH WARD ONE COURT)  
Leesville, Louisiana

Notes to Basic Financial Statements

(1) Summary of Significant Accounting Policies

The City Court of Leesville (City Court) was created under Louisiana Revised Statute 13:2485 as a political subdivision of the State of Louisiana. The City Court's territorial jurisdiction extends throughout Ward one of Vernon Parish in which the City of Leesville is located. The Court operates under the control of the City Judge, an elected official serving a term of six years.

The accompanying financial statements of the City Court of Leesville have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

The following is a summary of certain significant accounting policies:

A. Financial Reporting Entity

This report includes all funds, which are controlled by, or dependent on the City Court Judge. Control by or dependence on the City Court of Leesville was determined on the basis of general oversight responsibility. City Court of Leesville (City Court) is a component unit of the City of Leesville, Louisiana. The Notes to Basic Financial Statements of the City of Leesville identify the City Court as a component unit; however, the City of Leesville does not present the financial information of the City Court.

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity, which are considered to be governmental activities. Fiduciary funds are not included in the GWFS. The City Court has no business-type activities.

The statement of activities presents a comparison between program revenues of the City Court and the cost of the function. Program revenues are derived directly from City Court users as a fee for services. Revenues that are not classified as program revenues are presented as general revenues.

CITY COURT OF LEESVILLE, LOUISIANA  
(VERNON PARISH WARD ONE COURT)  
Leesville, Louisiana

Notes to Basic Financial Statements (Continued)

Fund Financial Statements (FFS)

The accounts of the City Court are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The funds of the City Court are classified as governmental and fiduciary. The emphasis on fund financial statements is on the major governmental fund, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the entity or meets the following criteria:

- a. Total assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The major fund of the City Court is described below:

Governmental Fund -

General Fund

The General Fund is the general operating fund of the City Court. It is used to account for all financial resources except those required to be accounted for in the Fiduciary Fund and appropriations by other governmental bodies on behalf of the City Court.

The Parish of Vernon and the City of Leesville maintain individual accounting records for City Court expenditures financed by their individual appropriations and report such expenditures in their respective financial statements.

The following fund is a nonmajor fiduciary fund:

CITY COURT OF LEESVILLE, LOUISIANA  
(VERNON PARISH WARD ONE COURT)  
Leesville, Louisiana

Notes to Basic Financial Statements (Continued)

Agency Fund

An agency fund is used to account for assets held by the City Court in a trustee capacity or as an agent for individuals, other governments, and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Civil Fund – accounts for advanced court costs on suits filed by litigants.

Traffic Fund – accounts for funds received from traffic violations.

C. Measurement Focus/Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

In the government-wide statement of net position and the statement of activities, governmental activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery) and financial position. All assets and liabilities (whether current or noncurrent) associated with its activities are reported. Government-wide fund equity is classified as net position. In the fund financial statements, the “current financial resources” measurement focus is used. Under this measurement focus, only current financial assets and liabilities are generally included on its balance sheet. Their operating statement presents sources and uses of available spendable financial resources during a given period. This fund uses fund balance as its measure of available spendable financial resources at the end of the period.

Basis of Accounting

In the government-wide statement of net position and statement of activities, the governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

CITY COURT OF LEESVILLE, LOUISIANA  
(VERNON PARISH WARD ONE COURT)  
Leesville, Louisiana

Notes to Basic Financial Statements (Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Revenues are classified by source and expenditures are classified by function and character. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Program Revenues

Program revenues included in the Statement of Activities are derived directly from the program itself or from parties outside the City Court's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the City Court's general revenues.

Allocation of indirect expenses

The City Court reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions, but are reported separately in the Statement of Activities. Depreciation expense is specifically identified by function and is included in the direct expense of each function.

When both restricted and unrestricted resources are available for use, it is the City Court's policy to use restricted resources first, then unrestricted resources as they are needed.

Agency funds do not involve measurement of results of operations. They are accounted for using the modified accrual basis of accounting.

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Equity

Cash and interest-bearing deposits

For purposes of the statement of net position, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposits of the City Court, which are stated at cost.

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received.

CITY COURT OF LEESVILLE, LOUISIANA  
(VERNON PARISH WARD ONE COURT)  
Leesville, Louisiana

Notes to Basic Financial Statements (Continued)

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The City Court maintains a threshold level of \$500 or more for capitalizing capital assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Depreciation of all exhaustible capital assets is recorded as an expense in the statement of activities, with accumulated depreciation reflected in the statement of net assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Furniture, fixtures and equipment	5-10 years
-----------------------------------	------------

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Deferred Outflows of Resources and Deferred Inflows of Resources

In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a future period. In other instances, governments are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively. There are no deferred inflows or outflows as of June 30, 2014.

Equity Classifications

In the government-wide statements, equity is classified as net position and displayed in three components:

- a. Net investment in capital assets – consists of net capital assets reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.

CITY COURT OF LEESVILLE, LOUISIANA  
(VERNON PARISH WARD ONE COURT)  
Leesville, Louisiana

Notes to Basic Financial Statements (Continued)

- b. Restricted net position – consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.
- c. Unrestricted net position – consist of all other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

In the fund statements, governmental fund equity is classified as fund balance. Fund balance is further classified as follows:

- a. Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
- b. Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- c. Committed – amounts that can be used only for specific purposes determined by a formal decision of the Judge. The Judge is the highest level of decision-making authority for the City Court’s office.
- d. Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes.
- e. Unassigned – all other spendable amounts.

When an expenditure is incurred for the purposes for which both restricted and unrestricted fund balance is available, the City Court of Leesville considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City Court of Leesville considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the City Court of Leesville has provided otherwise in its commitment or assignment actions.

CITY COURT OF LEESVILLE, LOUISIANA  
(VERNON PARISH WARD ONE COURT)  
Leesville, Louisiana

Notes to Basic Financial Statements (Continued)

E. Revenues, Expenditures, and Expenses

Operating Revenues

Operating revenues are those that result from providing services and producing and delivering goods and/or services. Revenues and fees and other charges for services are recorded when the City Court is entitled to the funds. Interest on interest-bearing deposits is recorded or accrued as revenue when earned. Substantially all other revenues are recorded when received.

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function. In the fund financial statements, governmental fund expenditures are classified by character.

F. Budgetary and Budgetary Accounting

A budget for the General Fund is prepared on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally prepared or as amended by the City Court. All budgetary appropriations lapse at the end of each fiscal year.

G. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

CITY COURT OF LEESVILLE, LOUISIANA  
(VERNON PARISH WARD ONE COURT)  
Leesville, Louisiana

Notes to Basic Financial Statements (Continued)

(2) Cash and Interest-Bearing Deposits

Under state law, the City Court may deposit funds within a bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The City Court may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2014, the City Court has cash (book balances) totaling \$80,663 as follows:

	Governmental Activities	Fiduciary Fund	Total
Demand deposits	\$ 37,511	\$ 43,152	\$ 80,663

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, Leesville City Court's deposits may not be recovered or will not be able to recover collateral securities that in the possession of an outside party. These deposits are stated at cost, which approximates market. Under state law, these deposits, (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the bank. These securities are held in the name of the pledging bank in a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) of \$93,209 at June 30, 2014 are fully secured by federal deposit insurance. The City Court does not have a policy for custodial credit risk.

(3) Capital Assets

Capital asset balances and activity for the year ended June 30, 2014 are as follows:

	Balance 07/01/13	Additions	Deletions	Balance 06/30/14
Equipment	\$ 120,395	\$ -	\$ -	\$ 120,395
Less: Accumulated depreciation	(117,472)	(711)	-	(118,183)
Net capital assets	<u>\$ 2,923</u>	<u>\$ (711)</u>	<u>\$ -</u>	<u>\$ 2,212</u>



CITY COURT OF LEESVILLE, LOUISIANA  
(VERNON PARISH WARD ONE COURT)  
Leesville, Louisiana

Notes to Basic Financial Statements (Continued)

(4) Risk Management

The City Court is exposed to risks of loss in the areas of general liability, property hazards, and workers' compensation. Those risks are handled by purchasing commercial insurance. The City of Leesville is covered under the City of Leesville, Louisiana's insurance policies. There have been no significant reductions in insurance coverage during the current fiscal year, nor have settlements exceeded insurance coverage for the current or prior three fiscal years.

(5) Expenditures of the Leesville City Court paid by the City of Leesville

The cost of some expenditures for the operation of the City Court of Leesville, as required by statute, is paid by the City of Leesville, Louisiana. These expenditures are not included in the accompanying financial statements.

The City Court has two elected officials, Elvin Fontenot, Judge and Robert Pynes, City Marshal. These salaries are paid by the City of Leesville and are therefore included in their financial statements.

(6) Pension Plans

Eligible employees of the City Court participate in a multiple-employer public employee retirement system (PERS), which is controlled and administered by a separate board of trustees. This retirement system provides retirement, disability and death benefits to plan members and their beneficiaries. Elected officials and officials appointed by the governor may at their option, become members of the system. Pertinent information relative to the plan follows:

Louisiana State Retirement System

Plan members are required to contribute 11.5 percent of their annual covered salary to the system while the City Court is required to contribute the statutory rate of 36.3 percent of the total annual covered salary. The City Court's total contributions to the system for the years ended June 30, 2014, 2013, and 2012 were \$7,536, \$7,167, and \$7,745, respectively, equal to the required contributions for each year.

A publicly available financial report that includes financial statements and required supplemental financial information may be obtained by writing to the Louisiana State Retirement System, P. O. Box 44213, Baton Rouge, Louisiana 70804-4213.

CITY COURT OF LEESVILLE, LOUISIANA  
(VERNON PARISH WARD ONE COURT)  
Leesville, Louisiana

Notes to Basic Financial Statements (Continued)

Simple IRA Plan

The City Court also has a Simple IRA Plan available to full-time employees through American Funds. Eligible employees may direct the City Court to contribute a percentage of the employee's compensation on a pre-tax basis to his or her Simple IRA. The employer must match pre-tax deferrals on a dollar-for-dollar basis up to 3% of compensation. Total expense for the years ended June 30, 2014, 2013, and 2012, was approximately \$0, \$0 and \$632, respectively.

(8) Changes in Agency Fund Balances

A summary of changes in agency fund due to litigants and unsettled deposits for the year ended June 30, 2014 follows:

	Civil Court Fund	Traffic Fund	Total
Balance, July 1, 2013	\$ 14,553	\$ 12,390	\$ 26,943
Additions	104,611	396,843	501,454
Deletions	<u>(95,521)</u>	<u>(389,724)</u>	<u>(485,245)</u>
Balance, June 30, 2014	<u>\$ 23,643</u>	<u>\$ 19,509</u>	<u>\$ 43,152</u>

(9) Subsequent Event Review

The City Court has evaluated subsequent events through December 31, 2014, the date which the financial statements were available to be issued.

(10) New Accounting Pronouncements

In June, 2012, the GASB approved Statement No. 67, "Financial Reporting for Pension Plans" and Statement No. 68, "Accounting and Financial Reporting for Pensions." GASB Statement No. 67 replaces the requirement of GASB Statement Nos. 25 and 50 relating to financial reporting and note disclosures of pension plans. GASB Statement No. 68 establishes accounting and financial reporting requirements related to pensions for governments whose employees are provided with pensions through plans covered by Statement No. 67. The provisions of GASB Statement No. 67 must be implemented by the applicable retirement systems for the year ending June 30, 2014 and provisions of GASB Statement No. 68 must be implemented by the City Court for the year ending June 30, 2015. The effect of implementation of these statements on the City Court's financial statements has not yet been determined.

## **REQUIRED SUPPLEMENTARY INFORMATION**

CITY COURT OF LEESVILLE, LOUISIANA  
(VERNON PARISH WARD ONE COURT)  
Leesville, Louisiana

Budgetary Comparison Schedule  
For the Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Court costs received	\$ 190,000	\$ 220,000	\$ 214,138	\$ (5,862)
Intergovernmental	30,000	35,000	36,962	1,962
Probation income	40,000	35,000	37,831	2,831
Total revenues	<u>260,000</u>	<u>290,000</u>	<u>288,931</u>	<u>(1,069)</u>
Expenditures:				
Current -				
Professional fees	11,000	12,000	11,756	244
Contract labor	1,500	2,000	2,000	-
Dues and seminars	2,000	2,500	2,932	(432)
Miscellaneous	20,000	21,000	27,706	(6,706)
Office supplies	12,500	14,000	14,082	(82)
Payroll taxes	15,000	15,000	14,569	431
Postage	1,800	1,900	1,900	-
Repairs & maintenance	22,000	23,000	22,815	185
Retirement	1,500	7,800	7,536	264
Salaries	170,000	185,000	188,568	(3,568)
State agency fees	12,600	13,540	9,706	3,834
Telephone	4,500	5,500	5,698	(198)
Travel	10,000	9,000	14,446	(5,446)
Uniforms	1,000	1,300	1,878	(578)
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>285,400</u>	<u>313,540</u>	<u>325,592</u>	<u>(12,052)</u>
Excess (deficiency) of revenues over expenditures	(25,400)	(23,540)	(36,661)	(13,121)
Fund balance, beginning	<u>42,831</u>	<u>42,831</u>	<u>42,831</u>	<u>-</u>
Fund balance, ending	<u>\$ 17,431</u>	<u>\$ 19,291</u>	<u>\$ 6,170</u>	<u>\$ (13,121)</u>

**INTERNAL CONTROL,  
COMPLIANCE, AND  
OTHER MATTERS**

# KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

## OFFICES

C. Burton Kolder, CPA\*  
Russell F. Champagne, CPA\*  
Victor R. Slaven, CPA\*  
Gerald A. Thibodeaux, Jr., CPA\*  
Robert S. Carter, CPA\*  
Arthur R. Mixon, CPA\*  
Penny Angelle Scruggins, CPA  
Christine C. Doucet, CPA  
Wanda F. Arcement, CPA, CVA

Stephen J. Anderson, CPA  
Bryan K. Joubert, CPA  
Matthew E. Margaglio, CPA  
Allen J. LaBry, CPA  
Albert R. Leger, CPA, PFS, CSA\*  
Marshall W. Guidry, CPA  
Stephen R. Moore, Jr., CPA, PFS, CFP®, ChFC®  
James R. Roy, CPA  
Robert J. Metz, CPA  
Alan M. Taylor, CPA  
Kelly M. Doucet, CPA  
Mandy B. Self, CPA  
Paul L. Delcambre, Jr., CPA  
Kristin B. Dauzat, CPA  
Jane R. Hebert, CPA  
W. Jeffrey Lowry, CPA  
Brad E. Kolder, CPA, JD  
Casey L. Ardoin, CPA  
Deldre L. Stock, CPA  
Karen V. Fontenot, CPA

\* A Professional Accounting Corporation

183 South Beadle Rd.  
Lafayette, LA 70508  
Phone (337) 232-4141  
Fax (337) 232-8660

450 East Main Street  
New Iberia, LA 70560  
Phone (337) 367-9204  
Fax (337) 367-9208

113 East Bridge St.  
Breaux Bridge, LA 70517  
Phone (337) 332-4020  
Fax (337) 332-2867

200 South Main Street  
Abbeville, LA 70510  
Phone (337) 893-7944  
Fax (337) 893-7946

1234 David Dr. Ste 203  
Morgan City, LA 70380  
Phone (985) 384-2020  
Fax (985) 384-3020

1013 Main Street  
Franklin, LA 70538  
Phone (337) 828-0272  
Fax (337) 828-0290

434 East Main Street  
Ville Platte, LA 70586  
Phone (337) 363-2792  
Fax (337) 363-3049

133 East Waddil St.  
Marksville, LA 71351  
Phone (318) 253-9252  
Fax (318) 253-8681

332 West Sixth Avenue  
Oberlin, LA 70655  
Phone (337) 639-4737  
Fax (337) 639-4568

1428 Metro Drive  
Alexandria, LA 71301  
Phone (318) 442-4421  
Fax (318) 442-9833

WEB SITE  
[WWW.KCSRCPAS.COM](http://WWW.KCSRCPAS.COM)

Retired:  
Conrad O. Chapman, CPA\* 2006

## INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Honorable Elvin Fontenot, City Judge  
City Court of Leesville, Louisiana  
(Vernon Parish Ward One Court)  
Leesville, Louisiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the City Court of Leesville (City Court) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City Court's basic financial statements, and have issued our report thereon dated December 31, 2014.

### Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City Court's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City Court's internal control. Accordingly, we do not express an opinion on the effectiveness of the City Court's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control described in the accompanying summary schedule of current and prior year audit findings and corrective action plan as items 2014-001 (IC) and 2014-002 (IC) that we consider to be significant deficiencies.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City Court's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying summary schedule of current and prior year audit findings as items 2014-003 (C), 2014-004 (C), and 2014-005 (C).

## **City Court's Response to Findings**

The City Court's response to the findings identified in our audit is described in the accompanying summary schedule of current and prior year audit findings and corrective action plan. The City Court's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

***Kolder, Champagne, Slaven & Company, LLC***  
Certified Public Accountants

Ville Platte, Louisiana  
December 31, 2014

CITY COURT OF LEESVILLE, LOUISIANA  
(VERNON PARISH WARD ONE COURT)  
Leesville, Louisiana

Summary Schedule of Current and Prior Year Audit Findings  
and Management's Corrective Action Plan  
June 30, 2014

Ref. No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Date Of Completion
CURRENT YEAR (6/30/14) --						
<u>Internal Control:</u>						
2014-001(IC)	2010	Leesville City Court does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including the related notes.		Elvin Fontenot, Judge, has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interests of City Court to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.	Elvin Fontenot, Judge	N/A
2014-002(IC)	2010	Due to few employees, Leesville City Court does not have adequate segregation of functions within the accounting system.		Elvin Fontenot, Judge, has evaluated the cost vs. benefit of establishing segregation of accounting duties and has determined that it is not cost effective to achieve complete segregation of duties within the accounting system.	Elvin Fontenot, Judge	N/A
<u>Compliance:</u>						
2014-003(C)	2014	In testing Form 1099 compliance, it was noted that Leesville City Court failed to issue a 1099 to a probation officer for the Court.		Elvin Fontenot, Judge, has reviewed the finding and will begin issuing Form 1099s for the probation officer starting tax year 2014.	Elvin Fontenot, Judge	6/30/2015
2014-004(C)	2014	Leesville City Court did not properly present the budget in accordance with the Louisiana Local Government Budget Act (R.S. 36:1305(c)(2)(a)).		Leesville City Court will present the budget in the format required by the Louisiana Local Government Act in the future.	Elvin Fontenot, Judge	6/30/2015
2014-005 (C)	2014	Payroll taxes and/or employee withholdings are not being remitted timely.		Leesville City Court will begin paying payroll taxes and employee withholdings timely.	Elvin Fontenot, Judge	6/30/2015

(continued)



CITY COURT OF LEESVILLE, LOUISIANA  
(VERNON PARISH WARD ONE COURT)  
Leesville, Louisiana

Summary Schedule of Current and Prior Year Audit Findings  
and Management's Corrective Action Plan (Continued)  
June 30, 2014

<u>Ref. No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken</u>	<u>Corrective Action Planned</u>	<u>Name of Contact Person</u>	<u>Anticipated Date Of Completion</u>
PRIOR YEAR (6/30/13) --						
<u>Internal Control:</u>						
2013-001(IC)	2010	Leesville City Court does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including the related notes.	No	See current year finding 2014-001(IC)	Elvin Fontenot, Judge	N/A
2013-002(IC)	2010	Due to few employees, Leesville City Court does not have adequate segregation of functions within the accounting system.	No	See current year finding 2014-002(IC)	Elvin Fontenot, Judge	N/A